MINISTRY OF ENVIRONMENT

FISH AND WILDLIFE DEVELOPMENT FUND

FINANCIAL STATEMENTS

For the Year Ended March 31, 2009

Provincial Auditor Saskatchewan

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SASKATCHEWAN

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the Fish and Wildlife Development Fund as at March 31, 2009 and the statements of operations, changes in net assets, and cash flows for the year then ended. The Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
July 17, 2009

Fred Wendel, CMA, CA
Provincial Auditor

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF FINANCIAL POSITION
As at March 31

	2009	2008
ASSETS		
Current assets		
Due from General Revenue Fund (Note 4)	$ 1,064,275	$ 1,450,361
Internally restricted cash (Note 7)	2,010,153	2,133,572
Accounts receivable (Notes 5 & 9)	344,327	716,251
	3,418,755	4,300,184
Capital assets (Note 6)	18,297,011	17,951,880
	$ 21,715,766	**$ 22,252,064**
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	$ 394,362	$ 695,588
Payable for land purchases (Note 13)	63,000	157,666
	457,362	853,254
Net assets		
Net assets invested in capital assets	18,297,011	17,951,880
Internally restricted net assets (Note 7)	2,000,000	2,000,000
Unrestricted net assets	961,393	1,446,930
	21,258,404	21,398,810
	$ 21,715,766	**$ 22,252,064**

Commitments (Note 8)

See accompanying notes to financial statements.

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF OPERATIONS
For the Year Ended March 31

	2009		2008
	Budget (Note 10)	Actual	Actual
Revenues:			
Transfers from General Revenue Fund			
Sale of licenses (Note 5)	$ 3,697,000	$ 3,654,440	$ 3,883,598
Field permits and leases	135,000	128,802	159,061
Interest	159,000	60,967	170,480
Other revenue	168,000	20,268	16,801
	4,159,000	3,864,477	4,229,940
Expenses:			
Fish enhancement projects (Schedule 1)	1,857,000	1,688,325	1,697,660
Wildlife habitat projects (Schedule 1)	1,889,000	1,923,313	1,456,925
Grants-in-lieu of taxes (Note 7)	326,000	355,190	339,603
Invasive Alien Species (Note 15)	45,000	38,055	455,000
	4,117,000	4,004,883	3,949,188
Excess of revenues over expenses (expenses over revenues) (Statement 3)	**$ 42,000**	**$ (140,406)**	**$ 280,752**

See accompanying notes to financial statements.

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF CHANGES IN NET ASSETS
For the Year Ended March 31

	2009				2008
	Invested in Capital Assets	Internally Restricted	Unrestricted	Total	Total
Balance, beginning of year	$ 17,951,880	$ 2,000,000	$ 1,446,930	$ 21,398,810	$ 21,118,058
Excess of revenues over expenses (expenses over revenues) (Statement 2)	(17,037)	---	(123,369)	(140,406)	280,752
Net investment in capital assets	362,168	---	(362,168)	---	---
Balance, end of year (Statement 1)	**$ 18,297,011**	**$ 2,000,000**	**$ 961,393**	**$ 21,258,404**	**$ 21,398,810**

See accompanying notes to financial statements.

FISH AND WILDLIFE DEVELOPMENT FUND
STATEMENT OF CASH FLOWS
For the Year Ended March 31

	2009	2008
Cash flows (used in) from operating activities:		
Receipts from General Revenue Fund	$ 4,043,215	$ 3,935,828
Receipts from sale of field permits, leases, and other	96,233	199,263
Interest received	96,953	169,746
Grant payments	(2,523,284)	(2,073,967)
Payments to municipalities	(355,181)	(339,534)
Payments to suppliers and employees	(1,409,024)	(1,363,648)
Cash flows (used in) from operating activities	(51,088)	527,688
Cash flows (used in) from investing activities:		
Purchase of capital assets	(458,417)	(338,070)
Cash flows used in investing activities	(458,417)	(338,070)
Net (decrease) increase in cash	(509,505)	189,618
Due from General Revenue Fund and internally restricted cash, beginning of year	3,583,933	3,394,315
Due from General Revenue Fund and internally restricted cash, end of year	**$ 3,074,428**	**$ 3,583,933**

See accompanying notes to financial statements.

Schedule 1

SCHEDULE OF EXPENSES

For the Year Ended March 31

	Fish Enhancement Projects		Wildlife Habitat Projects		Municipal Habitat Projects		Invasive Species Projects		2009 Total		2008 Total	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget (Note 10)	Actual	Budget	Actual
Salaries	$ 720,000	$ 625,548	$ 385,000	$ 375,611	$ —	$ —	$ —	$ —	$ 1,105,000	$ 1,001,159	$ 782,000	$ 1,002,815
Contractual services	100,000	72,915	75,000	60,970	—	—	—	—	175,000	133,885	300,000	200,475
Supplies and materials	93,000	49,424	20,000	14,640	—	—	—	—	113,000	64,064	110,000	66,447
Grants (Note 12)	725,000	757,971	1,370,000	1,449,397	326,000	355,181	45,000	38,055	2,466,000	2,600,604	2,224,000	2,464,321
Central Vehicle Agency Rentals	40,000	61,675	15,000	14,293	—	—	—	—	55,000	75,968	55,000	83,910
Travel expenses	45,000	27,553	20,000	5,071	—	—	—	—	65,000	32,624	50,000	33,783
Utilities	84,000	69,910	—	—	—	—	—	—	84,000	69,910	80,000	70,756
Amortization	20,000	16,157	1,000	880	—	—	—	—	21,000	17,037	20,000	10,472
Telephone	20,000	7,127	3,000	2,522	—	—	—	—	23,000	9,649	23,000	9,214
Communications	10,000	45	—	—	—	—	—	—	10,000	45	10,000	5,620
Other expenses	—	—	—	(71)	—	9	—	—	—	(62)	—	1,375
TOTAL	$ 1,857,000	$ 1,688,325	$ 1,889,000	$ 1,923,313	$ 326,000	$ 355,190	$ 45,000	$ 38,055	$ 4,117,000	$ 4,004,883	$ 3,654,000	$ 3,949,188

FISH AND WILDLIFE DEVELOPMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2009

1. Purpose of the Fund

The Fish and Wildlife Development Fund (Fund) operates under the authority of Section 20 of *The Natural Resources Act*. The Fund was established for the purposes of preventing the reduction of wildlife habitat and wildlife population in the agricultural area of the province and for fish enhancement projects intended to prevent the loss of fish or fish habitat. The Ministry of Environment administers the Fund.

2. Significant Accounting Policies

Pursuant to standards established by the Public Sector Accounting Board, the Fund is classified as a government not-for-profit organization. These financial statements have been prepared in accordance with Canadian generally accepted accounting principles applicable to not-for-profit entities and includes the following significant accounting policies:

a) Revenue recognition

The Fund follows the deferral method of accounting for contributions. Any restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

The transfer from the General Revenue Fund (GRF) related to certain hunting and fishing licences is recognized when licenses are issued. Transfers from the GRF for any other purpose are recognized when received or receivable.

Field permit and lease revenue is recognized when the permit is issued or the lease payment is due.

b) Grant Expenses

Grants are expensed when approved and the recipient has met eligibility criteria.

c) Capital Assets

Purchased capital assets are recorded at cost. Amortization commences in the year of acquisition and is provided on a straight-line basis over the asset's estimated useful life. Annual amortization rates for equipment are from 5% to 20%.

Donated land is recorded at fair value at the date of contribution as a direct increase in net assets.

The Fund made agreements with other conservation agencies for the joint acquisition of land for wildlife related purposes. The Fund records jointly owned land at cost as determined by the land purchase agreement.

d) Use of Estimates

These statements are prepared in conformity with Canadian generally accepted accounting principles. These principles require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and

expenses during the period. Estimates are required to determine the amortization of equipment and building improvements, accounts payable and accrued liabilities, sales of licences and allowance for expected uncollectible accounts receivable. Actual results could differ from those estimates. Differences are reflected in current operations when identified.

e) Financial Instruments

Accounting standards require that, all financial assets and financial liabilities must be identified and classified. This classification determines how each financial instrument is measured.

All financial instruments are initially recorded on the Statement of Financial Position at fair value. They are subsequently valued at fair market value or amortized cost depending on the classification selected for the financial instrument.

Financial assets are classified as either "held-for-trading", "held-to-maturity", "available-for-sale" or "loans and receivables" and financial liabilities are classified as either "held-for-trading" or "other liabilities".

The Fund's financial instruments and their classification are as follows:

(i) Due from General Revenue Fund and internally restricted cash are classified as held-for-trading, and are measured at fair value. Changes in fair value are recognized immediately in the Statement of Operations.
(ii) Accounts receivable are classified as loans and receivables, and are measured at amortized cost.
(iii) Accounts payable and accrued liabilities, and payable for land purchases are classified as other liabilities, and are measured at amortized cost.

Due to their immediate or short-term maturity, the amortized cost of these instruments approximates their value. The Ministry has reviewed the Fund's contracts for derivatives and there are none. Derivatives are required to be treated as held-for-trading.

3. Changes in Accounting Policies

Current Changes in Accounting Policies

On April 1, 2008, the Fund adopted the following new accounting standard issued by the Canadian Institute of Chartered Accountants:

Effective April 1, 2008, the Fund adopted the CICA Handbook Section, 1535 *Capital Disclosures*, which establishes standards for disclosing an entity's objectives, policies and processes for managing capital. The new disclosures have been disclosed in note 16.

Future Changes in Accounting Standards

The Canadian Institute of Chartered Accountants has issued the following accounting standards that will become effective for the Fund on April 1, 2009:

(i) The CICA Handbook Section 4400 *Financial Statement Presentation by Not-for-Profit Organizations*, has been amended with respect to the presentation and disclosure of the statement of cash flows. The statement of cash flows should be prepared in accordance with Section 1540 *Cash Flow Statements*. Section 1540 *Cash Flow Statements* has been amended to include not-for-profit organizations within its scope. This section establishes a criterion for disclosure requirements of the statement of cash flows.

(ii) The CICA Handbook Section 4470 *Disclosure of Allocated Expenses by Not-for-Profit Organizations*, establishes disclosure requirements of allocated expenses. This section will require not-for-profit organizations to disclose the allocation of general support expenses between different functions; this section will enhance a reader's ability to understand the effect of allocations.

The Ministry is currently assessing the impact of these accounting standards on the Fund. It expects the changes will have minimal impact on the financial statements.

4. Due from the General Revenue Fund

This is due from the General Revenue Fund (GRF). The Fund's money is on deposit with the GRF and in a bank account included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan. The Fund's earned interest is calculated and paid by the GRF on a quarterly basis to the Fund using the Government's thirty-day borrowing rate and the Fund's average daily account balance. The Government's average thirty-day borrowing rate for 2009 is 1.95% (2008 – 4.08%).

5. Revenue - General Revenue Fund

The Fund receives an annual transfer from the GRF, as established by Order in Council 526/95, equivalent to 30% of certain hunting and fishing licence fees collected by the Ministry. A receivable is recorded for the portion of the licences issued before the year-end for which fees have not yet been received. Included in accounts receivable at March 31, 2009 is $340,704 (2008 - $662,216) receivable from the GRF related to these licenses which $67,263 is an estimate recorded for licence fees not reported by vendors.

The Fund has interest receivable of $2,892 (2008 - $17,265) from the General Revenue Fund, and a $13,254 (2008 - $37,929) receivable for leases and permits for which an allowance has been set up for $12,559 (2008 - $19,879). Most of the licence revenue and receivables were received shortly after year end.

6. Capital Assets

	2009			2008
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 14,510,681	$ ---	$ 14,510,681	$ 14,510,693
Land – joint ownership	3,601,152	---	3,601,152	3,396,532
Building improvements	116,592	4,816	111,776	10,950
Equipment	613,393	539,991	73,402	33,705
	$ 18,841,818	$ 544,807	$ 18,297,011	$ 17,951,880

Building improvements are being amortized over a 20 year expected life; and equipment is being amortized over a 5-10 year expected life. It is assumed that these assets will have no value at the end of their expected life. As at March 31, 2009 there is no anticipated change in the expected life or value of these assets.

7. Internally Restricted Net Assets

Internally restricted net assets were established to compensate rural municipalities for taxes foregone on lands acquired by the Fund for wildlife habitat conservation purposes. The interest earned on this $2,000,000 is reported in the unrestricted fund and is used to assist in paying rural municipalities grants in lieu of taxes on the Fund's lands located within their boundaries.

8. Commitments

The Fund is committed to carry out certain wildlife habitat and fish enhancement projects totalling $582,500 in 2010, and $232,000 in 2011.

9. Financial Instrument Risks

The Fund is exposed to credit risk from the potential default of customers. However, the majority of the Fund's receivables are from other government agencies and reputable long-term corporate clients. Therefore, the credit risk is minimal.

The Fund is subject to interest rate risk with respect to revenue. To manage these risks, the Fund regularly monitors market conditions and interest rate trends.

10. Budget

The Budget for the Fund is included with the Ministry's budget submission to Treasury Board. Treasury Board approves the Fund's budget annually.

11. Related Party Transactions

These financial statements include transactions with related parties. The Fund is related to all Saskatchewan Crown agencies such as ministries, corporations, boards, and commissions under the common control of the Government of Saskatchewan. Also, the Fund is related to non-Crown enterprises that the Government jointly owns or significantly influences.

Routine operating transactions with related parties are recorded at agreed upon rates and are settled on normal trade terms. These transactions are as follows:

	2009	2008
Expenses:		
Business expense	$ 493	$ ---
Contractual services	970	11,073
Supplies and materials	4,573	1,642
Grants	873,000	507,754
Central Vehicle Agency rentals	75,969	83,910
Utilities	69,910	70,671
Telephone	9,649	4,840
Travel	---	299
Equipment and other assets	---	62

Included in accounts payable is $2,590 (2008 - $134,492) owing to related parties.

The Fund pays provincial sales tax to the Saskatchewan Ministry of Finance on all its taxable purchases. Taxes paid are recorded as part of the cost of those purchases.

In accordance with established government policy, the Fund has not been charged with certain costs including occupancy, financing, and certain administrative costs. These costs have been absorbed by

various ministerial appropriations and, therefore, no provision for such costs is reflected in these financial statements.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements and notes.

12. Conservation Easements

The Fund made agreements with other conservation agencies for the purpose of securing wildlife habitat through the purchase of conservation easements. Under these agreements, the Fund contributes a portion of the costs to acquire these easements upon the registration of the easement with the relevant land titles office. The conservation agencies made separate agreements with landowners for the purchase of these easements.

The Fund is not party to the agreements with the landowners for these conservation easements. Accordingly, the Fund has not recorded these costs as capital assets. The Fund's share of these costs for the year amounting to $509,022 (2008 - $630,896) have been expensed in the Statement of Operations.

13. Payable for Land Purchases

At March 31, 2009, the Fund owes a total of $63,000 (2008 - $157,666) for land purchases. Possession of the land took place on or before March 31, 2009, and payment is to be made subsequent to year end.

14. Comparative Figures

Certain prior year balances have been reclassified to conform with the current year's financial statement presentation.

15. Invasive Alien Species

The Fund has contracted with an organization to coordinate an invasive alien species management program for non-native terrestrial plants. This initiative will educate Saskatchewan residents on the risks of the invasive plant species, help communities take inventory of invasive plant species, and plan management strategies for invasive plant species.

16. Capital Disclosures

The Fund's objective in managing capital is to ensure sufficient liquidity to meet its monthly operating requirements and undertake program initiatives for the benefit of its stakeholders, while at the same time taking a conservative approach towards management of financial risk. The Fund's capital is comprised of its net assets. Internal restrictions exist within net assets to compensate rural municipalities for taxes foregone on lands acquired by the Fund. The Fund's primary use of capital is to finance capital expenditures, future projects, and ongoing operations. The Fund currently funds these requirements out of its internally generated cash flows. The Fund is not subject to any externally imposed capital requirements.